

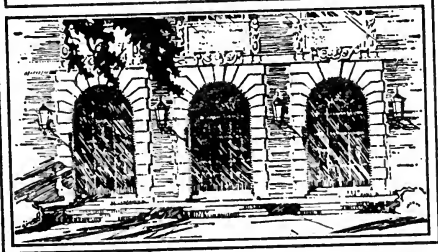


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H I N T S;

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CALCULATED TO

DISPEL THE GLOOMY IDEAS

WHICH HAVE BEEN

LATELY ENTERTAINED

OF THE

STATE OF OUR FINANCES.

BY

JOHN SINCLAIR, Esq.

L O N D O N:

PRINTED FOR T. CADELL, IN THE STRAND.

MDCCLXXXIII.

[PRICE ONE SHILLING.]

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THE attention of Parliament is likely to be distracted for some time to come, by the variety and importance of the different questions which will require its consideration. Without adverting to Reforms in Parliament; to the necessity of improving the only mode of Military Defence by which the Liberties of this country can be safely protected; to the new system of Commercial Regulations, which must sooner or later be devised; and indeed to a variety of other points; one subject will require early and deliberate attention, namely,

B

what

what steps ought to be taken to support the Credit, and to improve the Finances of the Country.

It is the more necessary to investigate this subject, as it has been of late too common for even respectable Individuals to amuse themselves, and to terrify the Public, with exaggerated accounts of the dangerous state of the National Finances. The more our difficulties increased, the greater pleasure they seemed to take in publishing our situation to our Enemies; in damping the exertions of those, by whose judgment and abilities alone, we could be extricated from the difficulties in which we were involved; and in proving to what fatal lengths even valuable Characters may be led, in support of a favourite hypothesis.

As

As

As an individual anxious for the honour and prosperity of his Country, I must take the liberty of entering my Protest against the general tendency of such Performances. Every attempt to assign a period, however remote, for the ruin of a large Community, strikes me as highly impolitic. Nature has wisely rendered the existence of the individual uncertain, lest the fear of death should embitter his days, and discourage him in every pursuit, even the most laudable: and what reason can be assigned why the order of Nature should be reversed, when Empires are in question? Dispirited Nations, like dispirited individuals, are incapable of successful efforts to extricate themselves from danger: besides, the apprehension of evil is justly accounted more dreadful than its actual existence.

Neither ought such performances to be countenanced in a country, which has long been conspicuous for popular discontent ; even in the most flourishing circumstances, that perhaps a nation ever knew. Whether it originates from the natural turbulence of a free People, or from the gloomy atmosphere that we breathe ; certain it is, that the inhabitants of this Island have long been discontented with their situation ; and the world has been stunned with their perpetual prognostications of ruin upon ruin, for at least a century past.

But fortunately, numerous Taxes, and Debts, however enormous, are not sufficient of themselves to render a Nation miserable ; and there is still reason to imagine, that, as we now ridicule the ill-founded despondency of our ancestors,
 who

who imagined that fifty or a hundred millions would reduce them to a state of bankruptcy; so our posterity will laugh at the folly, the ignorance, or the want of political skill and judgment in the Statesmen and Politicians of these times, who presume to assert, that we have totally exhausted our resources; and that the period is at last arrived, when the Nation must either destroy her Debts, or her Debts will destroy the Nation.

Among the many gloomy Prophets of the Day, a respectable Nobleman has, in a particular manner, distinguished himself, by an almost annual offering at the shrine of Despondency. His former speculations had this merit to recommend them, that they tended to demonstrate the fatal policy of continuing the American War, from which, *considering the manner in which it was conducted*, we could expect no advantage:

but

but his last Publication cannot be so easily justified. Our public distresses had been before sufficiently announced ; and it was highly improper, by questioning the solidity of our public securities, to prevent Government from being able to obtain, on favourable terms, the money which it required for the exigencies of the State ; and still more so, by exaggerating the weakness of the country, to give encouragement to our Enemies to break off the Peace, and renew the conflict with a country, supposed to be already exhausted.

Far different is the hypothesis I mean to support ; and if it can be proved by incontrovertible evidence, that our distresses have been too deeply coloured—that our financial resources are not totally destroyed ; and that Britain may still retain her elevated rank among the Potentates of Europe

Europe—I shall not despair of finding the Earl of Stair himself, among the happiest of its Citizens.

But to enter, without farther preface, upon the intended subject.—There are four Points insisted on by the Noble Lord, which I beg leave to controvert. The first is, That the annual Income of this Country (by which I understand the produce of the existing Taxes) does not exceed, or will not yield much above Twelve Millions net yearly. * Secondly, That the enormous sum of 16,371,346l. is but *scantily sufficient* to defray the National Expence. †—Thirdly, That the Unfunded Debt is at least Forty Millions; the interest of which will
amount

* See An Attempt to Balance the Income and Expence of the State, by John Earl of Stair, page 4.

† Ditto, page 9.

amount to full Two Millions.* And fourthly, That to raise additional Taxes to the amount of 4,371,346l. were it necessary, is among the barest of all bare possibilities. †

I. NATIONAL INCOME.

The present is the most unfavourable period that could possibly be pitched upon, for inquiring into the real amount of the National Income : just at the conclusion of an unfortunate War, in the course of which we lost the principal channels of our Trade, and the most valuable of our Colonial Possessions—of a War carried on at a great distance, for the support of which War, large bodies of our fellow-subjects had been sent abroad, and

con-

* An Attempt to Balance the Income and Expenditure of the State, by John Earl of Stair, page 5.

† Ditto, page 12.

considerable sums in the current specie of this country had been exported ; and the last year of which was distinguished by the most unfavourable season, for the production of every kind of human sustenance, that for many years had been remembered. If at such a period, there happened to exist some defalcation in the different revenues of the State, no individual, who was not wrapt up in some favourite hypothesis, would have founded any uniform train of reasoning upon so casual an event. Indeed, no controversy of this nature, could possibly be brought to a conclusion, were the exuberance, or the scantiness of a single year, to be accounted a sufficient basis for forming a System. The question therefore is, not what was the Income of the State for the year 1782, but what *will be the produce* of the different Taxes at present laid upon the Public, should the Peace continue,

and should no unforeseen public calamity diminish the wealth, and consumption of the people. That produce, judging from analogical reasoning, I am convinced, will exceed in the year 1785, or at farthest in the year 1786, fourteen millions per annum.

The present Income of the State may be divided into four different Branches : First, into the Old Taxes, which were consolidated by 3 Geo. I. c. 7. and the surplusses of which compose the original Sinking Fund. Secondly, into the Taxes which were added to the Sinking Fund before the commencement of the present War. Thirdly, into the Taxes which have been laid on in the course of the War. And fourthly, into the Land and Malt Taxes, which are only annually granted.

There

There cannot be a better sign of the flourishing state of our National Finances, than when the Old Taxes annually produce a considerable addition to the Public Revenue. New Taxes may be improperly laid on ; or from the erroneous calculations of the proposers, may not yield so much as might be expected, and consequently cannot be considered as a basis sufficiently solid on which to lay the foundation of an incontrovertible System. But the produce of old and established Taxes is well known, and nothing can increase them, but the increasing wealth and population of the country.

Uniform
Increase
of the Old
Taxes.

The Old Taxes to which I allude, are usually distinguished by the names of the Aggregate, the General, and the South-Sea Company's Funds. The surplusses of these three great Funds, after paying the Civil List, and the Interest and An-

nunities charged upon them, are directed by the said act 3 Geo. I. c. 7, to be accumulated together into a Sinking Fund, for the purpose of diminishing the National Debt. It will appear, from the following State, that during the space of thirty years, the excesses of these Funds have almost uniformly increased.

STATE of the SURPLUSES of that Part of the Public Revenue, commonly called the AGGREGATE, GENERAL, and SOUTH-SEA COMPANY'S FUNDS, since 10th October, 1751, after paying the Sum of 1,428,196l. 3s. 10d. to which the said Funds are annually liable; exclusive of the 100,000l. lately granted to the Crown.*

Surplusses of the said Funds

for one year, ending		£.	s.	d.
	10 Oct. 1752	1,451,050	0	2
Ditto -	10 Oct. 1753	1,541,397	7	10½
		Surplusses		

* The above State commences Anno 1752, as it was only 1753 that any New Taxes were at first thrown into the Sinking Fund.

Surplusses of the said Funds

for one Year, ending			£.	s.	d.
		10 Oct. 1754	1,503,298	13	7 $\frac{3}{4}$
Ditto	-	10 Oct. 1755	1,614,505	0	1
Ditto	-	10 Oct. 1756	1,566,943	11	6
Ditto	-	10 Oct. 1757	1,665,237	10	4 $\frac{1}{2}$
Ditto	-	10 Oct. 1758	1,835,044	3	8 $\frac{1}{4}$
Ditto	-	10 Oct. 1759	1,831,260	12	6 $\frac{1}{4}$
Ditto	-	10 Oct. 1760	2,308,505	18	4 $\frac{1}{2}$
Ditto	-	10 Oct. 1761	2,301,527	17	10 $\frac{1}{4}$
Ditto	-	10 Oct. 1762	1,768,242	9	1
Ditto	-	10 Oct. 1763	2,209,434	9	7 $\frac{3}{4}$
Ditto	-	10 Oct. 1764	2,172,828	1	6 $\frac{1}{4}$
Ditto	-	10 Oct. 1765	2,224,094	18	0 $\frac{1}{4}$
Ditto	-	10 Oct. 1766	2,372,313	18	5
Ditto	-	10 Oct. 1767	2,217,068	17	2 $\frac{3}{4}$
Ditto	-	10 Oct. 1768	2,036,436	9	0 $\frac{1}{2}$
Ditto	-	10 Oct. 1769	2,368,906	11	1 $\frac{1}{2}$
Ditto	-	10 Oct. 1770	2,596,967	16	8
Ditto	-	10 Oct. 1771	2,523,536	13	4
Ditto	-	10 Oct. 1772	2,276,096	15	1
Ditto	-	10 Oct. 1773	2,850,913	3	10 $\frac{3}{4}$
Ditto	-	10 Oct. 1774	2,528,662	17	10 $\frac{1}{2}$
Ditto	-	10 Oct. 1775	2,730,439	12	8 $\frac{1}{4}$
Ditto	-	10 Oct. 1776	2,788,713	5	10 $\frac{1}{2}$

Surplusses

Surplusses of the said Funds

for one year, ending		£.	s.	d.
	10 Oct. 1777	2,625,277	10	2 $\frac{1}{4}$ *
Ditto -	10 Oct. 1778	2,486,122	2	5
Ditto -	10 Oct. 1779	2,759,428	4	11
Ditto -	10 Oct. 1780	2,756,502	3	7
Ditto -	10 Oct. 1781	2,672,248	4	4
Ditto -	10 Oct. 1782	2,762,549	8	10 $\frac{1}{2}$

The above State will afford much room for curious speculation. From thence it is evident, that the surplusses of the Old Taxes have nearly doubled within the space of thirty one years—That is surely no sign of a decayed Commonwealth.

It is also not a little remarkable, that the surplusses ending 10 Oct. 1762, the last

* By 17 Geo. III. c. 21, an additional 100,000l. was given to the Crown, payable out of the Aggregate Fund. As it commenced 5th January, 1777, I have added three quarters payment, or 75,000l. to the surplus for the year 1777, and 100,000l. to the surplusses in each of the following years; as this was a burden to which, prior to the year 1777, that Fund was not liable.

last year of the former War, amounted only to 1,768,242l. 9s. 1d.—With much greater justice, therefore, might it have been alleged, that the Nation was then on the eve of Bankruptcy, than at present, when the excesses on the same Funds amount to about one million more. The great and immediate increase, as soon as Peace was concluded, fully proves the real fallacy of such visionary speculations.

But the important inference to be drawn from the above State is this, that had it not been for the American War, the surplusses of these three great Funds would have been greatly augmented; and when the present Peace is firmly established, we have every reason to hope that the excess may be fairly estimated at 3,250,000l. per ann.; and that it may afterwards increase. It has been already stated, that these surplusses accrue to the Public after paying

no less a sum than 1,428,196l. 3s. 10d. per annum, to the Civil List and to the Public Creditors.

Taxes
laid on
during the
last War,
and prior
to 16
Geo. III.

The Taxes laid on during the course of the last War, or afterwards, to defray the Expence with which that War was attended, are the next point to which it will be necessary to advert; and it is a singular and important circumstance, that they have also been upon the increase; and that the only deficiency is in the Fund created 31 Geo. II. nor is that of any material consequence. The following state commences Anno 1762, that the Reader may perceive the essential difference between the produce of the same Taxes in time of war, and in time of Peace.

STATE of the Produce of the Taxes which were added to the SINKING FUND, to defray the Expences of the last War, from 10 Oct. 1761, to 10 Oct. 1782.

Produce for one year, ending			£.	s.	d.
	10 Oct. 1762		1,876,019	11	8 $\frac{3}{4}$
Ditto -	10 Oct. 1763		2,133,049	8	9
Ditto -	10 Oct. 1764		2,650,772	15	4 $\frac{3}{4}$
Ditto -	10 Oct. 1765		2,727,736	2	4 $\frac{1}{4}$
Ditto -	10 Oct. 1766		2,724,732	7	4 $\frac{3}{4}$
Ditto -	10 Oct. 1767		2,640,188	12	11 $\frac{1}{2}$
Ditto -	10 Oct. 1768		2,888,352	7	5 $\frac{3}{4}$
Ditto -	10 Oct. 1769		3,031,384	18	7 $\frac{3}{4}$
Ditto -	10 Oct. 1770		3,192,655	1	0 $\frac{1}{2}$
Ditto -	10 Oct. 1771		3,003,072	6	2 $\frac{3}{4}$
Ditto -	10 Oct. 1772		2,960,206	5	5 $\frac{3}{4}$
Ditto -	10 Oct. 1773		2,937,630	3	10
Ditto -	10 Oct. 1774		2,961,325	19	1
Ditto -	10 Oct. 1775		2,969,329	19	7 $\frac{3}{4}$
Ditto -	10 Oct. 1776		3,283,924	16	6 $\frac{3}{4}$
Ditto -	10 Oct. 1777		3,038,139	8	9 $\frac{3}{4}$
Ditto -	10 Oct. 1778		3,114,328	14	10
Ditto -	10 Oct. 1779		3,049,831	9	11 $\frac{3}{4}$
Ditto -	10 Oct. 1780		3,323,909	13	7 $\frac{3}{4}$
Ditto -	10 Oct. 1781		3,121,785	4	10 $\frac{1}{2}$
Ditto -	10 Oct. 1782		3,126,776	11	5

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The

The above State must be not a little satisfactory to those who pride themselves in the prosperity of their country. From thence it appears, that the Taxes laid on for defraying the Expences of the last War, increased from 1,876,019l. 11s. 8d $\frac{1}{4}$. to 3,126,776l. 11s. 5d. and have not been injured (which there was some reason to apprehend) in consequence of the new burdens to which we have been subjected: and if thus an increase of no less a sum than 1,250,000 l. took place, notwithstanding the unfortunate circumstances of the Country, to what amount would they not have arisen, had that War never existed? and how much more is it not probable, they will increase, when the Peace is fully re-established?

From the above State, it is also evident, that it is impossible to calculate the produce of Taxes in time of peace from their income

come in time of War. The difference is almost astonishing ; and can only be credited by those, who have computed the difference in regard to Revenue, between times of rapine and bloodshed, and times of tranquility.

It is not proposed to trouble the Reader with any State of the produce of the Taxes which have been laid on in the course of the present War, for reasons which have been already hinted at in the preceding pages. Taxes laid on during the present War.

In fact, it must appear sufficiently evident, from the State of that part of the National Income which originated during the last War, that the difference between Taxes when they are at first laid on, and when they come in some degree to be established, is hardly to be conceived. Thus the Taxes laid on last War, in the space

of two years, increased from 1,876,019 l. 11 s. 8 d $\frac{1}{4}$. to 2,650,772 l. 18 s. 4 $\frac{1}{4}$ d. making a difference of little less than 800,000 l. per annum.

It is also hardly possible for any Fund, however judiciously it may be contrived, to yield for some time, the income which may be expected. Thus the Taxes which were laid on during the last War, and are now in so flourishing a state, yielding a considerable surplus, were formerly not a little deficient. Anno 1760, in no less a sum than 225,281 l. 19 s. 4 d. Anno 1765, in 127,404 l. 19 s. 8 d $\frac{1}{2}$. And Anno 1762, in 166,839 l. 16 s. 9 d $\frac{1}{2}$. As these deficiencies have now in a great measure vanished, why may we not expect, that the same happy circumstance should take place in regard to the recent Taxes?

Lastly, the Taxes alluded to, are daily increasing in point of produce: particular instances

instances will be found at the bottom of the page*. And if the other duties improve in the same proportion, which from past experience we have reason to expect, the Taxes laid on since the commencement of the present War, will at last yield the full income that was expected. What that income ought to be will appear from the following State.

STATE

* The following Account will explain, how much the Income of some of the New Taxes have increased.

	Anno 1778	Anno 1779	Anno 1780	Anno 1781	Anno 1782
	£.	£.	£.	£.	£.
Auctions	26,485	34,691	36,644	36,903	43,367
Men Servants		24,486	43,899	46,970	52,446
Post Horses		952	25,845	92,921	96,933
House Tax		26,392	69,955	117,835	108,728

And in Scotland, which is not supposed to be the most productive part of the Island, in point of revenue, but where the Taxes at the same time are very rigorously levied, the Excise Duties have rapidly increased within the space of eight years.

STATE of the NET PRODUCE of the SCOTCH EXCISE.

	£.		£.
1775 -	90,889	1779 -	139,888
1776 -	101,381	1780 -	174,651
1777 -	111,355	1781 -	190,860
1778 -	122,679	1782 -	211,672

STATE of the calculated Produce of the NEW TAXES (laid on since the Commencement of the present War) when they were originally proposed.

		£.	s.	d.
Taxes proposed Anno	1776	64,500	0	0
Ditto	- 1777	225,000	0	0
Ditto	- 1778	330,000	0	0
Ditto	- 1779	472,000	0	0
Ditto	- 1780	697,500	0	0
Ditto	- 1781	660,000	0	0
Ditto	- 1782	793,155	0	0
Total		£. 3,242,155	0	0

The Taxes laid on Anno 1776, already yield a considerable surplus: and though the others have not as yet been equally productive, yet it is supposed that the excesses arising from some of these Funds will make up for the deficiencies of others; and that the whole will yield an annual produce of 3,240,000l.

The

The produce of the Taxes on Land and Malt, when the Land is charged at 4 shillings in the pound, is well known. The first is supposed to yield 2,000,000 l. and the other 750,000l. As to the deficiencies to which they are liable, if it does not proceed from negligence in the collection, it ought to be made up, by a small addition, to either, or to both.

It will now be proper to give a short State of the probable amount of the National Income, from the existing Taxes.

STATE of the supposed Produce of the EXISTING TAXES, when Commerce revives, and Peace is fully re-established.

	£.	s.	d.
1. To the fixed Payments upon the Aggregate, the General, and the South Sea Company's Funds, for One Year — — —	1,428,196	3	10
2. To the additional 100,000l. granted to the Crown, and charged on the Aggregate Fund —	100,000	0	0
Carried over	1,528,196	3	10

Brought over 1,528,196 3 10

3. To the Surplusses of the said three great Funds, being the sum they yielded Anno 1773	}	2,850,000 0 0
—	}	

4. The Surplus on the said Three Funds Anno 1763, being only 2,200,000l. and in the space of ten years, namely, Anno 1773, having produced 650,000l. more, it is sup- posed that they will now produce, in time of peace, an increase of in- come to the amount of at least	}	500,000 0 0
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5. To the produce of the Taxes laid on to defray the expences of the last War, being the sum they yielded Anno 1780	}	3,300,000 0 0
— —	}	

6. Probable increase on the same	200,000 0 0
----------------------------------	-------------

7. To the calculated produce of the Taxes laid on in the course of this War, prior to the year 1783	}	3,240,000 0 0
---	---	---------------

8. Land Tax at 4s. in the pound	2,000,000 0 0
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9. Malt Tax — —	750,000 0 0
-----------------	-------------

Total supposed income from the present Taxes — —	}	14,368,196 3 10
---	---	-----------------

I am very ready to confess, that the
above State is partly founded upon con-
jecture

jecture and analogy; but it is hardly possible to judge of future events upon different principles; and if I happen to be wrong in asserting, that the existing Taxes of this Country will yield, two or three years hence, a revenue of above Fourteen Millions per annum, the calculation will not be proportionably more erroneous, than the mistake which the Earl of Stair has fallen into, who, in his state of the Public Debts, published Anno 1783, (See Account No. 3,) says, that 931,945 l. is more than the Sinking Fund would probably produce, for the half year ending 10 Oct. 1782; whereas it yielded no less a sum than 2,057,681 l. 6s. 5¼d. It is, indeed, a circumstance that ought to be particularly attended to, by those who employ their time and attention, with investigations into the state of our Finances, that the Taxes are almost uniformly more

E

produc-

productive in the half year ending on the 10th Oct. than in the half year ending on the 5th of April; which may principally be attributed to this, that the six months preceding the former term, is more favourable to Commerce and Navigation than the latter; on the Duties arising from which, so large a share of the Revenue of this Country depends.

II. NATIONAL EXPENCE.

THE National Expence, so far as it can be yet ascertained, may be considered under four Heads.—The Interest of the Funded Debt—The Peace Establishment—The Civil List—Miscellaneous Services. As to the Unfunded Debt, and the concluding Expences of the War, it will be proper to treat of them in a separate article.

The

The Funded Debt is involved in such confusion, owing to the different Companies to whom the same is paid, the different rates of Interest which the Public Creditors receive ; (some part of the Debt being at three, some at three and a half, and some at 4 per cent. ;) the various periods at which the same was contracted ; and the great difference between the Real, and the Nominal amount of the Debt, that it is very difficult to form a just idea of the subject.

Interest of
the Fund-
ed Debt,
prior to
1783.

The National Funded Debt may be divided into two Branches. First, into that part of it which consists in Temporary Annuities, that die away of themselves : And secondly, into those Annuities which must remain a perpetual burden upon the Nation, unless they are paid off.

Tempo-
rary An-
nuities.

The Temporary Annuities consist, first, in the Annuities payable at the Exchequer, the Capital of which is called 2,001,245 l. 11 s. 10 d. and the Annual Interest and charges of which amount to 150,640 l. 4 s. 8 d. The other Annuities of a temporary nature, were all granted by way of Douceurs, to those who advanced money to the Public: the nature and extent of which, will appear sufficiently evident, from the following account of them.

*STATE of the Temporary Annuities payable by
the Public.*

	£.	s.	d.
1. Annuity for One Life, originally granted Anno 1745, now reduced to — — — }	13,104	5	0
2. Ditto, granted Anno 1746, for One Life, now reduced to — — — }	24,400	10	0
3. Ditto, granted Anno 1757, for One Life, now reduced to — — — }	27,069	0	0
Carry over —	£. 64,573	15	0

	£.	s.	d.
Brought over	64,573	15	0
4. Ditto, granted Anno 1761, for } 99 years — — }	130,053	10	3
5. Ditto, granted Anno 1762, for } 98 years — — }	121,687	10	0
6. Ditto, granted for 10 years, } from 10th of April 1777 — }	25,351	11	3
7. Ditto, granted for 30 years, } from 5th January 1778 — }	149,219	13	0
8. Ditto, granted Anno 1778, for } One Life, now reduced to }	2,819	13	0
9. Ditto, granted for 29 years, } from 5th January 1779 — }	260,797	13	7
10. Ditto, granted Anno 1779, } for One Life, now reduced to }	5,276	12	7
11. Ditto, granted for 80 years, } from 5th January 1780 — }	220,558	11	10 $\frac{1}{2}$
12. Ditto, granted for 78 years, } from 5th January 1782 *	118,125	0	0
Carry over — £.	1,098,463	16	6 $\frac{1}{2}$

* In the Report of the Finance Committee, p. 12, this Annuity is said to be for only twenty-eight years :—an error of the Press, which I take the liberty of remarking, lest their respectable Authority should be adduced in opposition to this Statement.

	£.	s.	d.
Brought over	1,098,463	16	6 $\frac{1}{2}$
Add the Long Annuities payable at the Exchequer, all which expire Anno 1807, and some of them sooner	150,640	4	8
Total Temporary Annuities	1,249,104	1	2 $\frac{1}{2}$

STATE of the different Perpetual Annuities.

1. To the East India Company, including Management, and other charges	£.	s.	d.
— — —	127,687	10	0
2. To the South Sea Company, including ditto	794,642	9	5
3. To the Bank, including the Annuities payable to the Bank and all the 3 per cent. $3\frac{1}{2}$ per cent. and 4 per cent. Annuities, with the charges payable for the same, in- cluding also the Loan 1782	5,314,235	9	9 $\frac{1}{2}$
4. To the Expence of managing certain Funds not yet allowed to the Bank, supposed to amount to	20,000	9	0
Total Perpetual Annuities, prior to 1783	6,256,565	9	2 $\frac{1}{2}$

Such is the real state of the National Funded Debt : from thence it appears, that the Nation is liable to Temporary Annuities, amounting to 1,249,104l. 1s. 2 $\frac{1}{2}$ d. and

and to Perpetual Annuities, amounting to 6,256,565l. 9s. 2½d. the Nominal Capital of which is commonly stated at 195,301,183l. 6s. 10d.—But the Real Capital, if we suppose the money borrowed at five per cent. would only be 125,131,309l. 4s. 2d. Great as such a burden is, it does not appear so formidable, as when the Nominal and Real Capital, and the Temporary and Perpetual Annuities, are blended, without distinction, into one mass.

There is no point, to which it will be more necessary for the Nation in general to attend, than to take special care, that those to whom the government of our affairs is intrusted, do not begin with a higher Peace Establishment, than this Country can with ease and certainty afford. It is, therefore, with no small degree of concern, that I have heard it com-

monly

Peace
Establishment.

monly asserted, that we must be put to greater expences than at the conclusion of the last War, notwithstanding the immense extent of territory of which we have been deprived. It is indeed much to be feared, that, *unless Parliament steadily interposes*, that will be the case. Each servant of the Crown, attentive only to his own department, will be desirous of ingrossing as much of the National Income as he can ; and thus the Public, attacked from so many quarters, and each claim having some plausible pretensions to support it, every demand will be too easily assented to ; and the Nation will remain involved in difficulties, from which, by a different conduct, it might have been extricated.

There are but two modes by which this evil can be prevented. The first is, by Parliament fixing upon some particular Sum for the Peace Establishment, beyond which

which the Minister shall not be permitted to proceed ; leaving, however, the arrangement of the Sum so fixed upon, to be divided among the different Departments, as he may think proper to direct : and the second, for Parliament to ascertain the specific Sum to be appropriated to each particular department. If we wish to have an Economical Peace Establishment, one or other of these Plans, I am convinced, must be adopted : for we can hardly expect to see a Minister like Grenville, again placed at the Head of our Affairs ; possessed of firmness of mind sufficient, without any assistance from Parliament, to stem the torrent of public profusion.

The Peace Establishment consists of three Branches—the Navy, the Army, and the Ordnance.

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Navy.

That a formidable Navy ought to be kept up, I am very ready to acknowledge; but I hope, that its strength will consist more in having a number of Ships ready for immediate service, than in a great body of Seamen. We shall suppose, however, that 20,000 Seamen, including Marines, are retained in pay, (4,000 more than during the former Peace) the wages and victualling of which, will amount to 1,040,000 l.

The remainder of our estimated Naval Expences is absurdly divided into the Ordinary and Extraordinary. The Ordinary includes the Salaries of the different Officers, and the General Expence of the Establishment; together with some part of the money expended in building and repairing Ships: the remainder of the Building Expences is thrown together into the Account of Extraordinaries, which frequently

frequently contains the names of ships, and the sums proposed to be laid out on them, which are never expended for that purpose; whilst no mention is made of other vessels on which part of that very money is laid out. The proper mode of giving these Accounts to Parliament would be, for the Ordinary Account to state merely the Expence of the Establishment, Salaries of Officers, Half-pay, &c. whereas the Extraordinary should contain the whole Estimate of what may be necessary for the Building and Repairing of the Ships, and providing Stores for that purpose. In that view, the Ordinary of the Navy may be calculated at 300,000*l.* per annum; and if 660,000*l.* is appropriated for the Extraordinaries, these two sums, joined to the charge of 20,000 Seamen, would make, in all, an expence of Two Millions per annum; which, if properly laid out, would furnish us

with the most formidable Navy in Europe.

Army.

Our Military Expences are, with great propriety, less popular than those which are laid out on the natural strength, and bulwark of the Country. It would be dangerous, however, to countenance prejudices against the Army, so as to discourage men of family, of character, and of merit, from making it a Profession.—The Art of War is still in a gradual progress to much greater perfection; and unless we reward, with some degree of liberality, the services of those who improve the Art of War among ourselves, or who adopt and make known the Improvements of other Nations, we shall not be able long to retain the Military character we have obtained, among the States of Europe.—It is a fact, however,

ever, which, were it necessary, it would not be difficult to prove, though it might require entering a good deal into detail, that 1,200,000l. per annum, frugally and properly expended, would support a Military Establishment, sufficient to form the basis of an army, which, when a new War takes place, may be fit to contend in the field with the Enemies of this Country.

I know no means by which the con- Ordnance
 fused extravagance of the Ordnance Department can be prevented, except by a parliamentary declaration, that a larger sum than Two Hundred and Fifty, or 300,000l. at the utmost, is all that can possibly be expended in services of that nature. It does not proceed from any personal extravagance in those, who of late years have been at the Head of that department, that such loud complaints have been uniformly stated against the
 Estimates

Estimates they have produced ; but the fact is, that progressive profusion is the very principle of a Board of Ordnance—Powder and Ball indeed, and all the appendages of Artillery, are easily estimated, and may be kept within proper bounds ; but to Fortification there is no limit. One Ditch is the fruitful parent of another : and when we think that we are completely defended, we find that a thousand ramparts must yet be raised, before we can expect any advantage or protection, from the works which have been already constructed.

There is too much reason to apprehend, Civil List. that the Civil List, will very speedily require the addition of another 100,000*l.* to make it up a million : but it must not be expected, that any sum this Country can afford, for the special service of the Crown, will prevent the income of the
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Sovereign from being annually exceeded. The most frugal and best intentioned Monarch will try it in vain: for in the end he will find, that nothing can stop the profusion of a Court, but want of means to supply its extravagance. When an additional sum, however, is granted to the Civil List, it is hoped that care will be taken, that it is solely appropriated to the different branches of the Royal Family, so that any farther Demands upon the Public may be prevented.

The Miscellaneous Services are of a nature so various and discordant, that it is impossible, consistently with these short Hints, to examine them with the accuracy that might be necessary. I must therefore recur to the old observation, that it would be proper for Parliament to fix a particular sum, beyond which the Minister of the Day shall not be suffered to go; which

sum,

Miscellaneous Services.

sum, at a medium, ought not to exceed 200,000 l. per annum.

The following then will probably be the full amount of the National Expences in time of Peace, provided a wise and prudent System of Economy is enforced, in the different departments of the State.

STATE of the NATIONAL EXPENDITURE, when
Peace is fully re-established.

	£.	s.	d.
1. The temporary Annuities payable by the Public — — }	1,249,104	1	2 $\frac{1}{2}$
2. The Perpetual Annuities	6,256,565	9	2 $\frac{1}{2}$
3. The Navy	£. 2,000,000		
4. The Army	1,200,000		
5. The Ordnance	300,000		
	—————	3,500,000	0 0
6. The Civil List, supposing an additional 100,000 l. is granted — }	1,000,000	0	0
7. Miscellaneous Services —	200,000	0	0
	£. 12,255,669	10	5

The

The National Income, according to preceding calculations, it was supposed would yield a revenue of 14,368,196 l. 3s. 10d. from which, deducting the Peace Establishment above stated, there will remain a Sinking Fund, amounting to 2,112,526 l. 13s. 5d. per annum, which, with any tolerable management, will, in process of time, relieve the Country from no inconsiderable part of the burdens with which it is loaded.

It will next be proper to consider what is the probable amount of the Unfunded Claims against the Public, including the Loan of this Year : and how far there are resources in the Country, sufficient to pay the Interest of those Debts, without making any farther encroachment upon the Sinking Fund.

III. UNFUNDED NATIONAL DEBT.

IT is impossible to give, with any degree of certainty, an accurate account of the Unfunded Claims against the Public, or the concluding Expences of a War, carried on at such a distance. Twelve Millions, however, have been already borrowed, which, it is probable, will clear off that great mass of Expences with which the conclusion of such remote Hostilities must be accompanied. The Temporary Annuity, in consequence of this Loan, amounts to 80,000*l.* and the Perpetual Annuities to 480,000*l.*

But if we suppose, that the money borrowed this year is able to pay the concluding expences of the War, yet it is well known that the Public is indebted in
a large

a large sum, now circulating under the name of Exchequer Bills ; and that the enormous Debts of the Navy and the Ordnance, continue undiminished.

The Exchequer Bills, remaining undischarged at this particular period, and which it will be necessary either to pay off, or to renew, may be calculated at Ten Millions : such, however, is still the flourishing state of the Credit of this Country, that Bills, to that amount, may be circulated at the rate of 3 per cent. and consequently will only require a Fund of 300,000*l.* per annum, to defray the Interest.

Exche-
quer Bills.

It is a singular circumstance, that, in a Country where the Public Revenue is supposed to be so carefully protected—in which it is asserted, that no Money can be raised upon the Subject, without the in-

Navy and
Ordnance
Debts.

terposition of Parliament ; and where even the formality of a Vote of Credit is necessary, to enable the Sovereign to raise any sum of money, for the exigencies of the State, a few subordinate Commissioners should have it in their power to run the Nation in debt, with scarcely any controul or restriction.—No man wishes less to make the Naval Department unpopular : but, if in addition to what is called the Ordinary Estimate of the Navy—in addition to the Extraordinary Expences (a confused and inextricable account of which is annually laid before Parliament)—if, in addition to the 4*l.* per man, per month, for every Seaman and Marine that is voted, various unknown charges are to be permitted, formed we know not how, and demanded we know not for what ; I tremble to think, that the time may come, when it were almost to be wished, that the pride,

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the darling, and the principal bulwark of this Country were to be annihilated.

It is not proposed at present to point out the means by which this destructive evil, in future, may be prevented: suffice it to remark, that it is a system which has accumulated a debt upon this Country, still unpaid, amounting to about Twelve Millions. The Ordnance has fortunately had less plausible grounds for issuing forth its Debentures; and consequently has only run about One Million in debt. But as the Navy and Ordnance Bills, at the conclusion of the last War, were funded at the rate of four per cent. and as the same operation may now be repeated, the Interest on this species of Public Security, may be stated at 520,000*l.* per annum.

Some

Some other unfunded demands upon the Public may, perhaps, remain unobserved; but, if the idea of selling the Royal Forests, and disposing of a variety of unproductive, but troublesome claims belonging to the Crown, is persevered in, it will more than counterbalance any farther Sum that can possibly be adduced.

The following, then, will be the amount of the Annual Interest that must be paid on the Unfunded Incumbrances of the Public.

STATE of the Interest on the LOAN, 1783,
and on the UNFUNDED DEBT.

1. Temporary Annuities for 77 } years, from 5th January 1783, in con- sequence of the Loan this year —	£. s. d. 80,000 0 0
2. To the Perpetual Annuities } granted this year — —	480,000 0 0
Carry over —	<hr/> £. 560,000 0 0

	£.	s.	d.
Brought over	560,000	0	0
3. To the Interest of 10,000,000l. of Exchequer Bills, at the rate of 3 per Cent. — — — }	300,000	0	0
4. To the Interest of 13,000,000l. of Navy and Ordnance Bills, which may be funded at 4 per Cent. — — — }	520,000	0	0
5. To the Annual Expences which will be incurred, if 10,000,000l. of Exchequer Bills are kept in circulation — — — }	4,000	0	0
6. To the supposed Charges of the Bank, for managing the Loan 1783, and the next Loan, if the Navy and Ordnance Bills are funded — — — }	15,000	0	0
Total Interest and Charges of the Unfunded Debt — — — }	£ 1,399,000	0	0

Such is the nature and extent of the Unfunded Debt, which, it is hoped, will be brought into some kind of order, as soon as possible; for whilst it remains in an unsettled state, no judicious plan can be carried into execution, for discharging our burdens: but when once we know

the

the real nature, and the full amount, of all our National Incumbrances, then it may be expected, and not till then, that means will be proposed, for relieving the State of a load, which cannot be too speedily diminished.

IV. NATIONAL RESOURCES.

BUT the situation of the Country would be deplorable indeed, were there not still Resources in it, sufficient to pay the Interest of the Debts above-stated, without making any farther encroachments upon the Sinking Fund. High as this Country is taxed, no individual can survey, for a moment, the splendor in which so many of its inhabitants live, without perceiving, that though the State is poor, yet individuals are wealthy, and that they can probably bear some additional burdens, without being reduced to distress.

It

It would be improper for me, however, to interfere with those, whose particular province it is to investigate this Subject. It is in their power alone to obtain that knowledge of facts, without which, the best conceived ideas are mere visionary speculation : I shall therefore confine myself to very cursory and general Observations.

The Income of the People of this Country, arising from Lands, from Commerce, and from Manufactures, is commonly calculated at 100,000,000 l. per annum : I am inclined, however, to think even that sum is rather a low valuation. But if the inhabitants of this Island have but 80,000,000 l. to expend, that sum, if charged with Four Shillings in the Pound, would yield an annual Income to the State of 16,000,000 l.

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There

There is also a considerable difference between a large Revenue lavished in the Operations of War, and the same Revenue expended in time of Peace. Money laid out in carrying on Wars, is spent in Articles which the War consumes, or in purchasing Provisions, at an enormous rate, perhaps from your Enemies, for the Sustainance of your Forces. Whereas, money, spent in time of Peace, reverts immediately into circulation; and even the Public Creditor, in consequence of the different Articles which he consumes, which are liable to various Duties, returns to the Public, in process of time, a considerable part of that money which he receives.

But the material Point, up on which my hopes of an Increase of Public Revenue are founded, is this, that a very small proportion of the Public Debt is the Property

perty of Foreigners. I know well, that this matter is considered to be one of the great Myſteries of the State ; and that the Share, which Foreigners have in our Funds, is concealed, as if the Fate of the Nation depended upon the Diſcloſure. From any information I have been able to obtain, there is no reaſon to prevent that matter being fully known : the fact, I am convinced, would turn out, that of the 8,800,000l. per annum, due by the Public to its Creditors, Funded and Unfunded, not One Million is the Property of Perſons living out of this Iſland. If that is the caſe, the Reſources of this Country, for Additional Revenue, will be not a little increaſed, by the Additional Conſumption of thoſe Individuals, to whom the Income of the New Taxes muſt be paid.

I shall now state what appears to me,
the real situation of the Finances of this
Country.

GENERAL VIEW of the Supposed INCOME and EXPENCES
of the NATION.

I N C O M E.

	£.	s.	d.
1. To the supposed Produce of the Taxes laid on prior to 1783	11,618,196	3	10
2. The Land Tax at 4s.	2,000,000	0	0
3. Malt Tax	750,000	0	0
4. New Taxes which must be laid on to pay the Interest of the Debt not yet funded or borrowed, including the Taxes to be laid on this year	1,399,000	0	0
	<hr/>		
	£. 15,767,196	3	10

E X P E N C E S.

1. Temporary Annuities, payable by the Public prior to 1783	£.	s.	d.
	1,249,104	1	2 $\frac{1}{2}$
2. Temporary Annuities, Anno 1783	80,000	0	0
Total Temporary Annuities	£ 1,329,104	1	2 $\frac{1}{2}$
Carry over	£ 1,329,104	1	2 $\frac{1}{2}$
	<hr/>		
	£ 15,767,196	3	10

	£.	s.	d.	£.	s.	d.
Brought over	1,329,104	1	2½	15,767,196	3	10
3. Perpetual Annuities, } prior to 1783 — — }	6,256,565	9	2½			
4. Perpetual Annuities, } Anno 1783 — — }	480,000	0	0			
5. Supposed Interest of the remainder of the Un- funded Debt in Perpetual Annuities, exclusive of Loan 1783 — — }	839,000	0	0			
Total Interest due to the Public Creditors — }	8,804,669	10	5			
6. Peace Establishment	3,500,000	0	0			
7. Civil List —	1,000,000	0	0			
8. Miscellaneous Services	200,000	0	0	—13,504,669	10	5
Total Balance, or SINK- ING FUND — — }	- - - - -			£. 2,262,526	13	5

I hope it will appear sufficiently evi-
 dent, from the preceding short Hints,
 that the Finances of this Country are not
 in so desperate a state as they are com-
 monly represented; and our situation
 will be still more prosperous, if wise and
 judicious

Conclu-
 sion.

judicious Plans are entered into, for discharging the most burthensome of our Incumbrances ; which a clear Sinking Fund of Two Millions, joined to the gradual accessions, from the falling in of the Temporary Annuities, will enable us to effect.

It is unnecessary, however, to enter at present into the Examination of such a Question, as some time must undoubtedly elapse, before any Scheme of that nature can be carried into execution. The present object of Administration ought to be, to know what is the utmost extent of the National Incumbrances, and to put them on a footing, that may enable Zealous and Public-spirited Men to form Plans for their Liquidation. When that period arrives, the Writer of this Tract will probably again amuse himself with Speculations upon the subject : Some ideas having occurred to him, which he imagines, may
be

be of some use in promoting so desirable a Work ; and which, indeed, cannot fail to be effectual, if there is any remains of Public Virtue in the Country.

F I N I S.

be : 1. The first is the fact that the
the world is a very small place and
to be a part of it is to be a part of
the whole.











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